

Smith & Associates

Over thirty years ago, Smith & Associates was founded to meet the challenge of helping electronics manufacturers manage the explosive growth and unprecedented volatility that traditional supply chains could not address. To meet growing demand, manufacturers needed real-time access to the right components at the right price and with uncompromising quality. With an ecosystem that has today surpassed 200 market specialists on three continents, thousands of suppliers, and information sources in more than 60 countries, Smith & Associates is the global leader in electronic component distribution. Around the clock, around the world, its customers look to Smith for customized solutions that surpass and succeed.

PROBLEM

Supply chain processes are information driven. The right information is needed at the right time and often on short notice. With the accelerating cadence in business, manual processes can't keep up. Smith & Associates recognized that the accelerating speed of business was going to require more automated processes and more efficient methods to organize, track, and distribute critical information to their employees when they needed it most.

With traders worldwide each making at least 20-30 trades per day, Smith & Associates processes several thousand commodity part trades in a typical 24-hour period.

Recognizing these challenges to sustaining the Smith & Associates value proposition, CIO Phyllis Tsu and her IT team analyzed the information needs and challenges of the company. The team discovered two areas of concern:

- ▶ Time delays in responding to customer requests
- ▶ Many duplicate part numbers

Time Delays: In a company that prides itself on its speed-of-response to customer requests, Smith & Associates traders lacked ready access to information in a format that can be used to respond to customer requests. This places more pressure on a small group of subject matter experts, who might or might not be available when needed, slowing the trading process and, at times, making the process inefficient.

Standardization: Previous efforts to standardize the trading process incorporated some parts information into the company's ERP system, where it could be downloaded into spreadsheets and made available to traders. Although broadly available, the data lacked standardization, most notably a uniform part numbering system, which made parts more

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VP OF GLOBAL TRADING
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difficult to identify across regions. In the words of Smith's Vice President of Global Trading, "The same product was described several ways in our database."

In the end, the IT team supporting the trading process found the ERP system structure too rigid to adapt to change. With responsiveness to change a core element in Smith & Associates' value proposition to its customers, this inflexibility was not acceptable.

SOLUTION

Phyllis and her team determined that in order to decrease the time delays, increase standardization, and improve overall quality of the information available, Smith & Associates needed to implement a Master Data Management solution. The solution would have to meet Smith & Associates requirements for flexibility, self-service implementation, ability to integrate with current and future custom applications, and ease of managing change. These criteria lead Smith & Associates to select Kalido's model-driven MDM solution.

RESULT

By implementing the Kalido MDM solution, Smith & Associates has improved both its vendor and customer processes. Kalido's model-driven MDM solution enabled the IT team to represent the complexities of part classifications, as well as govern the complex cross-reference mappings between manufacturer and customer part numbers. The ability to add new part attributes to the MDM solution rapidly enabled their organization to react with greater agility and meet the changing needs of the business in a more timely manner.

By implementing a Kalido Master Data Management solution, Smith & Associates has improved its ability to quickly locate the right parts from the right vendors for its customers, strengthening its commitment to providing high quality and efficient service.

To date, Smith & Associates has loaded about 30,000 parts across 22 different part classifications (e.g. hard drives, CPUs, Memory, etc.) on the vendor or "upstream" side. The Kalido MDM solution has allowed for standardization and provided a clean set of reference data.

Smith & Associates is experiencing an overall improvement in the processing of customer requests. The gains in operational efficiency are the result of:

- ▶ Improved availability of relevant and accurate information for traders
- ▶ Simplified access by incorporating all vendor information in a trading system-of-record
- ▶ Minimized errors by reducing duplication of part numbers, in this case by 20%

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The MDM system has also enhanced Smith & Associates value proposition of fulfilling hard to fill parts orders rapidly and with high accuracy. With clean reference data and improved visibility to the relationships between parts and vendors, Smith & Associates can offer alternatives and substitutes to its customer in the event that the specifically requested part is unavailable.

How is this Reflected in a Day in a Trader's Life?

A central MDM system integrated with the Smith & Associates trading platform provides traders with ready access to reliable parts information in real time. According to Vice President of Global Trading, Todd Traylor, "the new MDM system lets the database do some of the thinking for us."

Real World Impact

Currently Smith & Associates has 30,000 active electronic components under governance in the MDM system. When historic parts information acquired over the last 12 years is added, Smith & Associates expects to have this number rise to 1.8M; all of which would be governed by its MDM system.



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